

DIRECTORATE OF INTELLIGENCE

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Yugoslavia: JMC Meeting Amidst Political Turmoil

Summary

This year's Joint Military Commission (JMC) session takes place against the backdrop of the most serious threats to Yugoslav national stability in decades as a result of both Serbian leader Milosevic's drive for political hegemony and widespread labor unrest. The military undoubtedly is concerned that the federal leadership may use the armed forces to restore order and may have begun making preparations for this eventuality. The military, moreover, has during the past year sought to muzzle liberal Slovens press criticism of army leaders and military expenditures. Military leaders, however, probably will be particularly careful to keep these developments out of bilateral discussions and to host a low-key, bland JMC.

Discussion ?

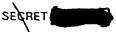
Turbulent Political-Social Backdrop

Serbian Drive for Hegemony: Serbian Communist Party leader Slobodan Milosevic is provoking the sharpest political and ethnic strains in years by demanding renewed Serbian control over its autonomous provinces of Vojvodina and Kosovo and the

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overthrow of much of the national leadership before or at a party plenum on 17 October. If Milosevic's push for power is not checked, his campaign could lead to the replacement of the current collective, regionally balanced leadership with a Serb-dominated Yugoslavia and Milosevic installed as the pre-eminent figure. Such a move could provoke violent backlash from ethnic Albanians in Kosovo and resistance in other regions, possibly requiring the Army to step in and keep order. The Serb-dominated military so far has maintained public silence although we believe it would accept Milosevic if most of the other regions acquiesced to his goals.

Labor Unrest: The government's imposition last May of stringent economic austerity measures has led to numerous strikes and protests, including marches by thousands of workers on the national assembly. Strikes could grow further and turn violent if the government holds firm to its austerity program and real wages erode further. Milosevic may step up attempts to exploit worker discontent to gain public support and topple government leaders.

Slovene-Military Tensions: Conflict between Slovenia and the Army peaked during a trial this past summer in which a military court convicted three liberal Slovene journalists for betraying state secrets. Tensions have since abated but could quickly flare up, especially if Milosevic can gain a dominant position in the party, sway other state presidents, and get the military to take action against his critics in the Slovene leadership.

